

INITIAL STATEMENT OF REASONS

Fee Adjustment

Title 13, Section 423.00

Vehicle Code section 1678 requires the Department of Motor Vehicles (the department) to annually review and adjust a variety of department fees. The fees are to be adjusted in an amount equal to the increase in the California Consumer Price Index for the prior year as calculated by the Department of Finance. A fee would only be increased when the calculated amount equals or is greater than \$0.50 rounded to the next highest whole dollar.

The department proposes to amend Section 423.00 to update the annual fees per statute. The regulations identify: the Vehicle Code sections that authorize each fee that are identified in Vehicle Code section 1678; the date the fee increase is effective; and the amount of each adjusted fee. The regulation is necessary to update the annual fee per statute.

423.00 Fee Adjustment.

Subdivision (a)(6) identifies January 1, 2010 as the effective date for the fee adjustments in Sections 423.00(a)(6)(A) through (C) of these regulations. This section is necessary to indicate the effective date of the annual adjustment of fees.

Subsections (a)(6)(A) through (a)(6)(C) identify the fees by statute that will increase. Twenty-three dollars (\$23) for fees authorized under Vehicle Code section 14901; twenty-nine dollars (\$29) for fees authorized under Vehicle Code sections 12814.5(d), 14900(a) and 14900.1(a); and forty-one dollars (\$41) for fees authorized under Vehicle Code section 12814.5(d).

Attachments include: spreadsheet listing fees subject to annual Consumer Price Index adjustments; costing spreadsheet of the department's impacted fees; and the Department of Finance Budget Forecast November 2008. It demonstrates the calculated impact of the increase on the California Consumer Price Index for each fee. There are five (5) fees identified by statute in Vehicle Code section 1678 with calculated amounts greater than \$0.50. They are identified in the Express Terms. There are forty-one (41) fees identified by statute in Vehicle Code section 1678 with calculated amounts less than \$0.50. Fee adjustments were not made for these fees.